

**MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY**

March 21, 2006

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, March 21, 2006, at 8:30 a.m. at the Charles Hayes Family Investment Center, 4859 S. Wabash, Chicago, Illinois.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present:	Sharon Gist Gilliam Dr. Mildred Harris Michael Ivers Carlos Ponce Mary Wiggins Sandra Young
Absent:	Hallie Amey Earnest Gates Martin Nesbitt Bridget O'Keefe

Also present were Adrienne Minley, Chief Of Staff; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Upon Motioned made and properly Seconded, the Chairperson announced a change in the order of the Board Meeting Agenda.

Commander Sid Kelly, District Commander of the Fifth District, was then presented with the following Commendation Resolution for his service, professionalism and leadership in the Chicago Police Department and the residents of the City of Chicago.

Resolution

Whereas,

Commander Sid Kelly, District Commander of the Fifth District, will retire from the Chicago Police Department after 35 years on March 16, 2006, and

Whereas,

Commander Kelly was raised in the Chicago Housing Authority's Harold Ickes Homes and attended Dunbar High School, and joined the Chicago Police Department in 1968 and worked in the 3rd, 21st, 4th and 6th Districts in the Intelligence Unit, Research and Development and Preventative Programs, and

Whereas,

Commander Kelly was promoted to District Commander of the Fifth District on September 18, 2000, beginning his work in the CHA Altgeld Gardens family housing development, and

Whereas,

Commander Kelly sponsored trips for the children and seniors of Altgeld Gardens, as well as "Stop the Violence" rallies there, and

Whereas,

Commander Kelly became a regular and dedicated fixture at Altgeld Gardens, meeting with residents and management several times a week and Offering professional and personal resources to them, and

Whereas,

The Chicago Housing Authority Board of Commissioners wishes to demonstrate its appreciation and esteem for Sid Kelly and his outstanding professionalism, leadership ability and commitment to the safety of all the people of the City of Chicago, but especially the residents of Altgeld Gardens.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

That,

Sid Kelly be commended for his service, professionalism and leadership in the Chicago Police Department and the residents of the City of Chicago.

GIVEN THIS TWENTY-FIRST DAY OF MARCH, IN THE TWO THOUSAND AND SIXTH YEAR OF OUR LORD.

s/b Sharon Gist Gilliam
Chairperson, Board of Commissioners

s/b Terry Peterson
Chief Executive Officer

Chairperson Gilliam thereupon introduced for approval the Minutes for the Regular Board Meeting held on February 21, 2006 and the Executive Session Minutes for December 20, 2005 and January 17, 2006. Upon Motion made by Commissioner Young and properly seconded by Commissioner Harris, the Minutes were unanimously approved and accepted as submitted.

Chairperson Gilliam thereupon introduced the following Resolutions.

Commissioner Ivers then presented an Omnibus Motion to approve the resolutions under Executive Session Items 1 through 3.

(Executive Session Item 1)

RESOLUTION NO. 2006-CHA-27

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated March 8, 2006 requesting that the Board of Commissioners approves the Personnel Actions Report for February 2006.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for February 2006.

(Executive Session Item 2)

RESOLUTION NO. 2006-CHA-28

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 1, 2006, requesting authorization to enter into a settlement agreement in the amount of \$3.65 million in the matter of *The Estate of Bonnie Bobo v. CHA, et al.*, 02 L 7288 with the CHA responsible for \$500,000 of this settlement;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel, or her designee, to enter into a settlement agreement in the amount of \$3.65 million in the case of *The Estate of Bonnie Bobo v. CHA, et al.*, 02 L 7288 with the CHA responsible for \$500,000 of this settlement.

(Executive Session Item 3)

RESOLUTION NO. 2006-CHA-29

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 14, 2006 entitled "Authorization to enter into a Lease Agreement for Consolidated Administrative offices of the Chicago Housing Authority"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a lease agreement for a term of 15 years with Continental Assurance Company for the lease of consolidated administrative office space (including 20 parking spaces) located at 60 East Van Buren Street, Chicago, Illinois. The base rental rate shall be in the amount of \$20.50 per rentable square foot, increasing annually \$0.50 per square foot.

The Motion to adopt Executive Session Items 1 through 3 was seconded by Commissioner Ponce and the voting was as follows:

Ayes: Sharon Gist Gilliam
Dr. Mildred Harris
Michael Ivers
Carlos Ponce
Mary Wiggins
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolutions adopted.

In the absence of Commissioner O'Keefe, Chairperson of the Finance & Audit Committee, Commissioner Ponce presented her report. Per Commissioner Ponce, the Finance & Audit Committee Meeting was held on Wednesday, March 15, 2006 at 1:00 p.m. at the 626 W. Jackson Corporate Offices. The Chief Financial Officer and her staff presented the Committee with the Treasury Report for the month of February 2006.

Commissioner Ponce then introduced an Omnibus Motion for adoption of resolutions for Items A1 and A2, discussed, voted and recommended for Board approval by the Finance Committee.

(Item A1)

In December 2005, the Board awarded a 2-year contract to Aon as Broker of Record. As the Broker of Record, Aon has been granted authority to competitively solicit bids for insurance on behalf of the CHA. In January 2006, Aon released bid packets and directly solicited 30 prospective insurance carriers. Bids were only received by a few carriers, as many insurance carriers are still not interested in writing public housing risks, due to either treaty exclusions or specific underwriting guidelines. The General Liability program received quotations from Lexington, the incumbent, ACE, and Munich American Re. With respect to the Excess Liability, only Lexington, the incumbent, provided a quotation. American Home Assurance Company was the most competitive for Commercial Crime coverage offering a premium quote less than the incumbent Great American Insurance Corporation. In the past, the marketing of the Workers Compensation coverage has been the most difficult piece of the program. ACE/USA (ACE), the incumbent Workers Compensation carrier was the only market to offer a bid. Accordingly, the resolution for Item A1 approves award of contract with the named carriers in the aggregate amount not-to-exceed \$2,369,139.

RESOLUTION NO. 2006-CHA-30

WHEREAS, The Board of Commissioners has reviewed Board Letter dated February 4, 2005 entitled "Authorization to enter into contracts with Lexington Insurance Company American Home Assurance Company, and ACE/USA for the Private Managers Insurance Program's Liability, Workers Compensation and Commercial Crime Coverages".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Lexington Insurance Company American Home Assurance Company, and ACE/USA for the Private Managers Insurance Program's Liability, Workers Compensation and Commercial Crime Coverages" in the aggregate amount not-to-exceed \$2,369,139 for the period April 1, 2006 through March 31, 2007.

(Item A2)

The resolution for Item A2 waives post-employment restrictions for Brenda Parker. The Habitat Company has hired Brenda Parker, former Senior Asset Manager at the CHA, to manage the Dearborn Homes. The Habitat Company recently assumed management of this property that presents a unique set of management challenges due to the development's age, size, configuration, and physical condition. The property generates a large number of work orders, which requires intense management of resources and oversight of staff as well as the constant monitoring of the development's budget. As a former employee of the CHA's Asset Management Department, Ms. Parker is familiar with the management of public housing properties. She understands the CHA's operating procedures, the Authority's admissions and continued occupancy policies, the budgeting and expenditure processes, and the federal regulations governing public housing properties. Her understanding of these areas will enable The Habitat Company to institute best practices to improve both the day-to-day operation of the property and residents' living conditions within the limits of available CHA funding.

RESOLUTION NO. 2006-CHA-31

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 1, 2006, entitled "Authorization to Waive Post-Employment Restrictions to Improve Management of a Family Development,"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to waive the Post-Employment Restrictions in the CHA Ethics Policy where The Habitat Company has hired former CHA Senior Asset Manager Brenda Parker to serve as property manager for the Dearborn Homes.

The Omnibus Motion to adopt resolutions for Item A1 and A2 was seconded by Commissioner Young and the voting was as follows:

Ayes:	Sharon Gist Gilliam Dr. Mildred Harris Michael Ivers Carlos Ponce Mary Wiggins Sandra Young
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Nays:	None
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The Chairperson thereupon declared said Motion carried and said Resolutions adopted. The Finance Committee report was also accepted in total.

Commissioner Young, Chairperson of the Tenant Services Committee, then presented her monthly report. Per Commissioner Young, due to a lack of quorum for the Tenant Services Committee, the Joint Operations and Tenant Services Committee meeting scheduled for Wednesday, March 15, 2006 was not held. However, the Committee was briefed on items appearing on the Agenda, but no votes or actions were taken.

(Item B1)

The resolution for Item B1 approves submittal of a Mixed Finance Proposal and related documents to HUD for the rehabilitation of Fountain View Apartments, 3718-28 W. Douglas. Pursuant to a competitive Request for Proposals issued by the CHA in June 2003, the Board approved the selection of the LCD/Safeway as the development team to acquire and rehabilitate Fountain View Apartments. Fountain View will be rehabilitated into a 45 unit mixed income development of which 14 of the units will be CHA rental. The building is located in the North Lawndale neighborhood of Chicago at the Corner of Douglas and Independence Boulevard. The 14 CHA units are composed of 9 two-bedroom and 5 three-bedroom units. The

CHA currently holds title to the building and land. The CHA will convey the building to the developer at closing and the land will be subject to a 99 year ground lease. The City of Chicago holds title to the adjacent vacant land and has agreed to convey the parcel to the project at closing for parking and the development of a small tot-lot for use by the building residents. The ownership entity will be Fountain View Apartments Limited Partnership. The general partner is LCDC/Safeway Joint Venture. LCDC/Safeway Joint Venture is a partnership comprised of Safeway Construction Company and Lawndale Christian Development Corporation (“LCDC”), a not-for-profit organization. The equity investor is the limited partner with a 99.99% ownership interest. Safeway is also the construction contractor and construction manager for the project. CHA has procured a consultant to provide the required independent review of costs to verify cost reasonableness. The budget for Fountain View Apartments is projected to be \$10,107,155 and will be financed through a mix of public and private sources.

Commissioner Young then introduced a Motion for the adoption of Resolution for Item B1

RESOLUTION NO. 2006-CHA-32

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 14, 2006, Chief Executive Officer or his designee to **1**) submit a Mixed Finance Proposal and evidentiary documents to the U.S. Department of Housing and Urban Development (“HUD”) for the mixed finance rehabilitation of 3718-28 W. Douglas, a North Lawndale Scattered Site building, **2**) sell and convey by quit claim deed the 3718-28 W. Douglas building to the developer for \$1.00, **(3)** commit CHA’s capital contribution in an amount up to \$2,300,000 for the rehabilitation, and **(4)** execute all documents including, but not limited to, a long-term ground lease, loan documents, ACC Amendment, a regulatory and operating agreement and other documents as necessary to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to: **1**) submit a Mixed Finance Proposal and evidentiary documents to the U.S. Department of Housing and Urban Development (“HUD”) for the mixed finance rehabilitation of 3718-28 W. Douglas, a North Lawndale Scattered Site building, **2**) sell and convey by quit claim deed the 3718-28 W. Douglas building to the developer for \$1.00, **(3)** commit CHA’s capital contribution in an amount up to \$2,300,000 for the rehabilitation, and **(4)** execute all documents including, but not limited to, a long-term ground lease, loan documents, ACC Amendment, a regulatory and operating agreement and other documents as necessary to implement the foregoing.

The Motion to adopt resolution for Item B1 was seconded by Commissioner Ivers and the voting was as follows:

Ayes:	Sharon Gist Gilliam Dr. Mildred Harris Michael Ivers Carlos Ponce Mary Wiggins Sandra Young
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Nays:	None
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The Chairperson thereupon declared said Motion carried and said Resolution adopted.

(Item B2)

The resolution for Item B2 approves Contract Modification G-03 thru G-06 to Contract No. 5090 with Walsh Construction Company for additional work related to the general renovation of Altgeld Gardens, Phase 1. The renovation work commenced in May 2005 and included: substituting alternate light fixtures at several locations; provide new drywall; repair two broken existing manhole structures; furnish and install carbon monoxide detectors in the mechanical rooms; provide metal plate connections to support the HVAC mechanical equipment; relocate walls to accommodate structural plumbing core changes; provide a textured skim coat finish in 101 bathroom units; provide a sump pump high water alarm control panel and complete the installation of vinyl floor tile on an accelerated schedule. This additional work is required to

perform owner-directed changes, comply with local building codes, address potential errors and omissions, and correct discovered conditions

Commissioner Young then introduced a Motion for the adoption of Resolution for Item B2.

RESOLUTION NO. 2006-CHA-33

WHEREAS, the Board of Commissioners has reviewed Board Letter dated March 14, 2006 entitled "Authorization to execute Modification Numbers G-03, G-04, G-05, and G-06 to Contract No. 5090 with Walsh Construction Company for additional work related to the General Renovation of Altgeld Gardens (IL2-007) – Phase 1";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Contract Modification Numbers G-03, G-04, G-05, and G-06 to Contract No. 5090 with Walsh Construction Company in the combined amount of \$615,564.00 to complete the intended scope of the general renovation of Altgeld Gardens (IL2-007) – Phase 1 at 969 East 132nd Place. The new total contract amount is \$53,642,234.00. These Contract Modifications are subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

The Motion to adopt resolution for Item B2 was seconded by Commissioner Ivers and the voting was as follows:

Ayes: Sharon Gist Gilliam
Dr. Mildred Harris
Michael Ivers
Carlos Ponce
Mary Wiggins
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolution adopted.

(Item B3)

The CHA must be able to quickly respond to environmental issues and code violations relating to environmental hazards. In October 2005, the CHA advertised a Request for Proposal for professional environmental consulting and testing services for the CHA's various authority-wide environmental needs. The RFP was advertised in area newspapers and also directly solicited fourteen vendors, including fourteen MBE/WBE/DBE firms. Of the eight proposals received and evaluated by a Committee, five (5) firms were found to be in the competitive range. Oral presentations were held with all 5 firms, and best and final offers were submitted by each firm. Staff recommended award of contracts to the three firms that earned the highest total scores. Accordingly, the resolution for Item B3 approves award of contract to CCA, EDI and GSG. These 3 firms' best and final offers, consisting of fixed hourly rates for selected staff positions and specified driller services, have been determined to be fair, reasonable and within industry standards for the type of work to be performed. All 3 firms have successfully worked with the CHA previously, doing excellent work.

Commissioner Young then introduced a Motion for the adoption of Resolution for Item B3.

RESOLUTION NO. 2006-CHA-34

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 14, 2006, entitled, "Authorization to execute contracts with Carnow, Conibear & Associates, Environmental Design International Inc., and GSG Environmental Inc. for Authority-wide Professional Environmental Testing & Consulting Services";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners (“Board”) authorizes the Chief Executive Officer or his designee to execute contracts for Authority-wide environmental testing and

consulting services with two (2) year base terms and two (2) one-year options to be exercised at the CHA's sole discretion respectively with the following firms: (1) Carnow, Conibear & Associates in an amount not-to-exceed \$500,000.00 for the 2-year base term and \$250,000.00 for each option year; (2) Environmental Design International Inc. in an amount not-to-exceed \$500,000.00 for the 2-year base term and \$250,000.00 for each option year; and (3) GSG Environmental, Inc. in an amount not-to-exceed \$1,000,000.00 for the 2-year base term and \$500,000.00 for each option year, for a total aggregate amount not-to-exceed \$4,000,000.00 that includes the option years. These awards are subject to each Contractor's compliance with CHA's MBE/WBE/DBE, Section 3 resident hiring and insurance requirements.

The Motion to adopt resolution for Item B3 was seconded by Commissioner Harris and the voting was as follows:

Ayes: Sharon Gist Gilliam
Dr. Mildred Harris
Michael Ivers
Carlos Ponce
Mary Wiggins
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolution adopted.

(Item B4)

From January through September 2004, HUD conducted a compliance review under the authorities of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. HUD reviewed CHA's programs, services and activities, including the designated accessible housing units, associated common areas, on-site management offices, CHA's administrative offices, including occupancy, housing programs, and non-housing programs and activities. HUD's review revealed deficiencies related to the physical accessibility of the common areas, on-site management offices, and individual housing units, as well as alleged deficiencies in the CHA's policies and procedures. Accordingly, the resolution for Item B4 approves execution of a Voluntary Compliance Agreement between HUD and CHA in order to address the compliance issues raised by HUD's review and to comply with its responsibilities under the Moving to Work Demonstration Agreement. In general, the VCA will recommit CHA to its obligation to provide 5.3% fully accessible units for persons with mobility impairments and 2.1% units for persons with sensory impairments throughout CHA's entire housing inventory of 25,000 units by the end of the Plan for Transformation. One of the major undertakings of the VCA is for CHA to create a Transition Plan. That Plan will be both an inventory of CHA's accessible units and a work plan to describe how the CHA plans to bring all of its Housing and Non-Housing programs into full compliance with Section 504 and the ADA by the completion of the *Plan for Transformation*. CHA will report on and update its progress every six months and conduct semi-annual meetings with HUD. The VCA will remain in effect until the CHA has satisfactorily completed its obligation under the agreement or for seven years, whichever is later.

Commissioner Young then introduced a Motion for the adoption of Resolution for Item B4.

RESOLUTION NO. 2006-CHA-35

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 1, 2006 requesting authorization to execute the VCA between HUD and the CHA and concurs in the recommendation contained therein;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a Voluntary Compliance Agreement with HUD addressing CHA's compliance with accessibility requirements.

The Motion to adopt resolution for Item B4 was seconded by Commissioner Wiggins and the voting was as follows:

Ayes: Sharon Gist Gilliam

Dr. Mildred Harris
Michael Ivers
Carlos Ponce
Mary Wiggins
Sandra Young

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolution adopted. The Joint Operations and Finance Committees report was also accepted in total.

Immediately following the approval of the Items, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session. The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

s/b: Sharon Gist Gilliam
Chairperson

s/b: Lee Chuc Gill
Custodian and Keeper of Records